

European Media Policy



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Big Tech regulation

New EU Commission signals tough approach toward tech giants

Mark Zuckerberg and his fellow tech czars may have reason to be wary of what the new EU Commission has in store for them, especially the Danish Commissioner Margrethe Vestager.

Often called "Silicon Valley's tormentor-in-chief" after levying billions of euros in fines and starting investigations against Google, Apple and Facebook in her capacity of EU competition chief, Vestager will now be responsible not only for competition but for digital policy to boot.

Both Vestager and her boss Ursula von der Leyen, the new EU Commission President, seem intent on confronting the tech giants.

A few weeks before her investiture, when delivering a speech in honor of Shoshana Zuboff, a Harvard scholar best known for her book "The Age of Surveillance Capitalism", von der Leyen [made clear](#) that she ascribes to Zuboff's view that the U.S. tech industry "knows, decides and decides who decides."

The Commission's new leader went on to say that the EU so far has only taken the "first steps" in its regulatory push.

Vestager seems to have read Zuboff too. "One thing I have learned from surveillance capitalism is that it's not you searching Google, but Google searching you," [she told MEPs](#) during her assessment hearing in the EU Parliament. "We need to regulate how companies collect, store and use data so it helps society."

Asked whether she would break up digital giants, Vestager however said that the Commission has powers to break up companies on competition grounds, "but this is very far-reaching, very intrusive". "We must use the least intrusive tools to solve the situation".

With data becoming the lifeblood of the digital economy, European citizens must be given greater choice in how such information is used, the Commissioner stressed, adding that she would continue looking at competition cases that involved the potential monopolization of digital information.

Silicon Valley: Antitrust reckoning on home turf

It's not only European "tormentors" who are going after the digital giants these days. In September CNN Business [reported](#) that attorneys general of eight U.S. states and the District of Columbia were launching an antitrust investigation into Facebook.

The investigation is to focus on Facebook's impact on advertising prices, data and consumer privacy and the company's previous acquisitions, including Instagram and WhatsApp.

The following week it was Google's turn. Then a group of 50 attorneys general from 48 U.S. states, the District of Columbia and Puerto Rico [unveiled](#) a major antitrust investigation of Google, sharply escalating the regulatory scrutiny facing the tech giant.

The wave of state-led probes underscores widespread concerns among policymakers that Silicon Valley's biggest players may be harming competition, [says](#) CNN Business.

The House Judiciary Committee has launched a "top-to-bottom" antitrust probe of Amazon, Apple, Facebook and Google, and the Department of Justice is conducting an antitrust review of the nation's biggest tech companies.

Facebook can be told to track down illegal content worldwide

In October EU's top court [ruled](#) that Facebook may be ordered to track down and remove illegal content worldwide if it were found to be illegal in an EU country.

The judgment means that social platforms can be forced to seek out hateful content deemed illegal by a national court in the 28-country bloc rather than wait for requests to remove posts as it currently does under EU rules, [explains Reuters](#).

The ruling is limited to court orders and doesn't apply to wider complaints by users alleging that certain content is illegal.

Digital rights groups are critical of the court's decision. "Despite the positive intention to protect an individual from defamatory content, this decision could lead to severed freedom of expression for all internet users, with particular risks for political critics and human rights defenders by paving the road for automated content recognition technologies," [said](#) Diego Naranjo, Head of Policy at European Digital Rights, EDRI.

The news service Politico [points out](#) that the CJEU judges said their ruling would not force companies to actively monitor all material that was posted on their platform, only potentially harmful material linked to existing rulings by courts.

This, the judges said, would ensure people's freedom of expression was not hampered by the widespread monitoring of their online activities.

The decision represents a major step toward forcing social media companies to take greater responsibility for what is posted on their networks, and will likely support efforts on both sides of the Atlantic to force tech giants to take more action against illegal content online, comments Politico.

In the EU, the court ruling paves the way for the forthcoming Digital Services Act (more on this below). Some member states, for example Germany, have already begun acting on their own with regard to hate speech.

Digital Services Act: New rules for digital services in the pipeline

A major EU policy development in the coming year is the highly anticipated Digital Services Act (DSA), a new regulatory framework overhauling the 20-year-old e-Commerce directive with its often cited rules on platforms' limited liability online.

Among other things, the DSA will affect how hate speech is tackled, possibly disinformation too.

But first the EU Commission will evaluate the e-Commerce directive and then open a wide consultation with industry, civil society, national authorities and judges.

The consultation will most likely be launched in the first quarter of 2020. Then there will be further impact assessment and finally a Commission proposal towards the end of the year.

The person who has been tasked to coordinate the work on the DSA is Margrethe Vestager, the Danish EU competition chief known for her high-profile investigations and fines against Google, Facebook and Apple. Now she is in charge of digital policy as well as competition.

Also involved in preparing the DSA will be the new EU Commissioner for the Internal Market Thierry Breton, who will oversee the Commission's DG Connect responsible for building digital policy.

During his assessment hearing in the EU Parliament Breton placed much emphasis on digital technologies. To no surprise, as he has been CEO of Atos, a French multinational IT company specializing in services like cloud, big data and cybersecurity.

Many MEPs were concerned that the French Commissioner's long career in the private sector could create a multitude of conflicts of interest. However, at the hearing he explained that he had sold all his shares, which he mostly held in Atos, and resigned from all his positions.

Still, Breton's general outlook on IT matters can hardly have changed after so many years in the business.

Breton spoke about the importance of the forthcoming Digital Services Act, which he said would help to improve the "fluidity and flow of digital services in the EU." Pressed on whether the limited liability clause of the eCommerce directive will be negatively impacted by the DSA, the Commissioner [said](#) that it wouldn't be. Voilà!

Controlling hate speech online: Lessons for states and companies

In October David Kaye, the UN Special Rapporteur on the promotion and protection of the right to freedom of opinion and expression, presented a [report](#) with tangible suggestions to internet companies and states making efforts to control hate speech.

"The EU Commission should consider Kaye's recommendations when creating new rules for the internet and – most importantly – when drafting the Digital Services Act (DSA), [writes](#) the European Digital Rights organisation, EDRI.

"The report offers a much-needed reminder that restricting freedom of expression online through deleting content is not just an ineffective solution, but in fact threatens a multitude of rights and freedoms that are vital for the functioning of democratic societies", says EDRI.

In his report Kaye explains how international human rights law provides standards to govern state and company approaches to online expression.

Copyright

Google sidesteps publishers' new right for remuneration

So much for the new publishers' right so fervently fought for in the recent EU war on copyright. When the controversial copyright directive came into force in France in October Google preferred to modify Google News rather than pay online news publishers.

Google announced it would avoid signing license agreements with press publishers by only displaying a portion of the text necessary to comply with the EU's copyright directive.

Article 15 of the new [directive](#), which was adopted in April, gives press publishers the right to seek remuneration from platforms for re-posting their content. But "very short extracts" are excluded from the scope of the directive, [explains](#) the news service Euractiv.

Few were surprised by Google's move. "Look, not only was (this) totally predictable, but many of us directly [warned the EU](#) of what would happen if they instituted a "link" or "snippet" tax as part of the EU Copyright Directive", [wrote](#) Mike Masnick in the Tech Dirt group blog.

Attempts by publishers in Spain and Germany to charge Google for displaying article excerpts already failed in the past. In response, the search giant preferred to de-refer the articles, which caused a drastic drop in traffic to their websites.

Many Members of the European Parliament who worked on the file were aware of this and had warned that Google would not commit to licensing agreements.

Google's announcement was immediately condemned in France, by the government as well as publishers. In November the French Culture Minister Frank Riester brought up the matter at the EU's Culture Council meeting.

"Other member States will run into the same problem. We need a clear, unequivocal response to this across the EU", stressed the minister.

Many of the other Member States supported the French demands. The EU Commissioner for Culture Tibor Navracsics said that the Commission is "taking good note" of France's concerns. "Correct implementation of the directive is of key importance", he stressed.

Copyright directive: Still concern about upload filters

Although approved in April by the EU Council of Ministers and the European Parliament some member states are not very happy with parts of the new copyright [directive](#).

In May Poland initiated a legal challenge before EU's Court of Justice (CJEU) against Article 17 of the directive – earlier called Article 13 – which makes companies liable for content uploaded to their website, something that could lead to the use of automatic upload filters to vet content before it appears online.

This would infringe on the right to freedom of expression and information guaranteed by Article 11 of the EU's Charter of Fundamental Rights, says Poland.

Therefore Poland seeks the annulment of Article 17(4)(b) and Article 17(4)(c) of the directive. Should the Court find that these provisions cannot be deleted from Article 17 without substantially changing the rules contained in the remaining provisions of the article, Poland demands that the Court annul Article 17 of the directive in its entirety.

As required by the new copyright directive, the EU Commission is preparing a "guidance" on the application of Article 17. To this end it has launched a stakeholder dialogue to discuss how content-sharing platforms and service providers should cooperate with rights holders.

The [first meeting](#) took place on 15 October and further meetings will be arranged until the end of 2019 or early 2020.

"These live-streamed dialogues are probably the last window of opportunity at the EU level for those who campaigned against upload filters in the copyright Directive to achieve the alleged goals of the Directive – harmonisation and modernisation of the copyright framework – without the collateral damage to citizens' liberties", [points out](#) the European digital rights organisation, EDRI.

Disinformation

Growing political manipulation of social media

It's no longer only hackers and extremists who spread false information on the internet. Governments and political parties do it more and more too.

Research shows that many governments use "cyber troops" to shape public opinion, including networks of bots to amplify a message, groups of "trolls" to harass political dissidents or journalists, and scores of fake social media accounts to misrepresent how many people engaged with an issue.

Researchers at the Oxford Internet Institute found evidence of organized social media manipulation campaigns in 70 countries, up from 48 countries in 2018 and 28 countries in 2017, as reported in their latest [Global Inventory of Organised Social Manipulation](#).

Social media have become co-opted by many authoritarian regimes. In 26 countries, computational propaganda – the use of algorithms, automation, and big data to shape public life – is being used as a tool of information control in three distinct ways: to suppress fundamental human rights, discredit political opponents, and drown out dissenting opinions.

Most government-linked disinformation efforts were focused domestically. However, some state actors use computational propaganda for foreign influence operations.

China has become a major player in the global disinformation order. Its new-found interest in aggressively using Facebook, Twitter, and YouTube should raise concerns for democracies, write the researchers.

One of them, Samantha Bradshaw, [said](#) to the New York Times that both government regulation and the steps taken by Facebook to combat this kind of disinformation didn't go far enough. "You need to look at the algorithm and the underlying business model".

In their conclusions the researchers stress that it is important to recognize that many of the issues at the heart of computational propaganda – polarization, distrust or the decline of democracy – have existed long before social media.

"The co-option of social media technologies should cause concern for democracies around the world – but so should many of the long-standing challenges facing democratic societies."

MEPs:

More action against foreign electoral interference!

Foreign electoral interference seriously threatens European democratic societies, [warn MEPs](#) in a resolution adopted by the EU Parliament on 10 October.

Despite member states fully or partially banning foreign donations to political parties or candidates, foreign actors find ways to circumvent those rules, say MEPs.

They are deeply concerned about the "highly dangerous nature of Russian propaganda", which is the main source of disinformation in Europe and which has doubled since January 2019 (998 cases) as compared to 2018 (434 cases).

MEPs call for an upgrade of the EU [East StratCom Task Force](#) – set up to address Russia's disinformation campaigns – to a permanent structure with significantly higher financing.

They also call on internet and social media companies to cooperate in countering disinformation, without undermining freedom of speech and on the EU to create a legal framework to counter hybrid threats.

EP news not really EP news

For someone reporting on European affairs it is somewhat disconcerting to find that what looks like EU news isn't really EU news.

The EU's External Action Service's East StratCom Task Force – which was set up to address Russia's disinformation campaigns – has discovered that [EP Today](#), which describes itself as a "monthly news magazine for the European Parliament," isn't quite what it seems.

"With a name including one of the major institutions of the European Union ... 145 000 Facebook fans and an average output of 25 articles per day, one may get the

impression of a serious news outlet that is an established, influential and informed part of EU politics," the task force writes.

Since October 24th 2018, 47% of the articles in EP Today are word-for-word copies of articles from RT.com, a Russian international television network funded by the Russian government. Often, the entire homepage is filled with exact copies of RT articles, [reports the Task Force](#)

New EU Commission VP vows to fight disinformation

So what is the new European Commission going to do about the growing problem of disinformation? One person who will certainly be involved in this issue is Commissioner Vera Jourová, Vice-President for Values and Transparency.

Among the Czech Commissioner's tasks is "to focus on countering disinformation and fake information while preserving freedom of expression, freedom of the press and media pluralism".

Jourová must also "closely monitor the implementation of the [Code of Practice](#)" – an EU-brokered voluntary agreement by the industry to fight disinformation – and "stand ready to propose regulatory intervention if necessary".

At Jourová's assessment hearing in the EU Parliament in October, she said "the spread of disinformation is a real threat" and she will fight it, "with freedom of speech as a base".

The Commissioner also emphasized that one has to make a clear difference between illegal and legal content. "Disinformation is not illegal content", she said.

The case for EU regulation of online disinformation "will be evaluated" in the coming months ahead of a decision in early 2020, a Commission official [revealed](#) to Euractiv at the end of October.

Before this decision, the Code Of Practice will be assessed and other "inputs" analyzed, among them a mid-December report from the European Regulators Group for Audiovisual Media Services.

Then it will be decided whether disinformation should face regulation, either on its own terms or under the scope of the forthcoming Digital Services Act.

Audiovisual

Mergers:

EU clears Swedish telco acquisition of TV broadcaster

The wave of mergers between content distributors and content producers – like the U.S. telecommunications giant AT&T's deal for Time Warner last year – seems to have hit northern Europe now.

On 12 November the EU Commission [approved](#) the proposed acquisition of Bonnier Broadcasting – a TV broadcasting company active primarily in Sweden

and Finland – by the Swedish telecommunication operator Telia, also present in Denmark, Estonia, Finland, Latvia, Lithuania, Moldova, Norway and Turkey.

The deal means, among other things, that Telia's television activities can be fused with those of the TV companies TV4, C More and Finnish MTV.

The Commission underlines that its approval of the deal is conditional on "full compliance" with certain commitments offered by Telia. The regulator had concerns that the transaction, as initially notified, would have significantly reduced competition in Finland and Sweden in some areas.

To address the Commission's competition concerns, Telia offered a number of commitments, for example: access to free-to-air and basic pay TV channels, as well as to premium pay TV sports channels; access to the merged entity's streaming services; and access to TV advertising space. For more details, see [here](#)

Telia's competitor Telenor was disappointed, having hoped that the EU Commission would make tougher demands on Telia to allow competitors to distribute television content from TV4, C More and MTV via the internet.

Criticism was also voiced by politicians from various political parties in Sweden who said that the deal gives the Swedish state, which owns 38% of Telia, too much influence over the television market in Sweden.

EU Council: How to make the European AV industry more competitive

Finns are known for not wasting time on a lot of words. True, much can be said in a succinct, well-structured account. A good example is a recent [discussion paper](#) by the Finnish EU Presidency on the current challenges, strengths and innovation potential of the European cultural, creative and audiovisual industries and what EU can do to boost this potential.

In its emphasis on the need for innovation the Presidency's paper is very much in line with the new EU Commission President's [strategic vision](#) for the Union.

At their Council meeting in November EU's ministers of culture held a public debate based on this document. Many of the thoughts in the Presidency paper resurfaced in their remarks.

The ministers pointed at some important strengths of European cultural and creative industries (CCIs), such as the ability to provide local content, high quality of production and linguistic and cultural diversity.

They also identified some serious challenges for the CCIs in the EU. Among these were the power of big non-European players and the amount of data they control, which undermines competition.

The fragmentation of the European market, the difficult access to funding and the speed of digital transformation were also highlighted as big challenges for European CCIs.

Many participants said that cooperation at European level in the areas of production and dissemination was key for strengthening the competitiveness of European CCIs.

Ministers also stressed the need to create favourable conditions for the functioning of CCIs by adopting appropriate legislative measures, facilitating funding, developing talent and investing in digital skills and media literacy.

They called for the full use of EU funding through programmes such as Erasmus, Horizon Europe and Creative Europe. Some delegations provided examples of tax incentives for CCIs at national level.

The outgoing EU Commissioner for culture Tibor Navracsics had some interesting news. He revealed that the new Commission is mulling an action plan to strengthen the competitiveness and diversity of the media sector.

The new EU Commissioner responsible for culture is Mariya Gabriel, formerly Commissioner for Digital Economy and Society, which means she is well versed in digital issues. Gabriel will also be in charge of innovation and youth, as well as research and education.

European police smash huge TV piracy operation

In September police in Bulgaria, Italy, France, Germany, Greece and the Netherlands carried out raids coordinated by the EU's judicial cooperation agency, Eurojust, smashing what they called the world's biggest pirate streaming TV network with five million customers in Italy alone, [reports Euractiv](#).

For €12, far below normal prices, subscribers to the pirate streams could access all content from big companies such as Sky Italy, Netflix and Mediaset.

"The effects created by this illegal activity include unfair competition, financial loss... and thousands of jobs put in danger," said Filippo Spiezia, Italy's representative at Eurojust.

Germany, France and the Netherlands shut down around 200 computer servers as part of the operation. Law officers also seized hardware and shut down 800 internet sites used to re-broadcast channels.

Those responsible for the piracy face up to three years in prison and a fine of €25,000, law officials said.

Media/Tech - general

MEPs focus on media freedom and protection of journalists

Media freedom and the protection of journalists has been in the spotlight in the European Parliament on several occasions this autumn.

On 6 November the Committee on Civil Liberties, Justice and Home Affairs (LIBE) held a public hearing on these subjects with representatives of the Council of Europe, Reporters without Borders and investigative journalists.

"Media freedom is more and more threatened in Europe", said Patrick Penninckx, who heads the Information Society Department at the Council of Europe. He pointed at restrictive legislation, shutdown of media outlets, as well as the

financial effects of digitalisation on investigative journalism.

During the hearing there were many distressing accounts of threats and violence against journalists in a number of EU member states, not least Hungary, Romania and Bulgaria.

As for remedies, Mr Penninckx stressed that one has to be able to prosecute misbehaviour in the member states, fight media oligopolies, and promote media literacy as well as quality journalism.

He also urged MEPs to push member states to fight corruption. Penninckx pointed out that much of the threats and violence against journalists, especially in the newer member states, is a result of their disclosure of fraudulent use of EU funds.

“The EU institutions have provided these funds. Then it’s also their responsibility to confront the member states about corruption related to them.”

A person in the new EU Commission who cares much about these issues is Commissioner Vera Jourová, Vice President for Values and Transparency.

Among her main tasks is to coordinate the Commission’s work on upholding the rule of law. She will also be responsible for monitoring the application of the Charter of Fundamental Rights, which, i.a., protects freedom of expression, freedom and pluralism of the media as well as the right to an effective remedy and to a fair trial.

During her assessment hearing in the EU Parliament in October Jourová promised to defend journalists against threats. “The rule of law is too important to make compromises”, she said, adding that she would work on mapping litigations against journalists and provide legal aid for journalists suffering from breaches of the rule of law.

Chinese platform TikTok – a new case for EU regulators?

Facebook’s Mark Zuckerberg [seems worried](#) about TikTok, one of the few Chinese online platforms targeted at Western markets and one of the fastest growing worldwide. EU policymakers should probably keep an eye on this platform too.

The TikTok app is mainly used by younger audiences who watch and post short videos with music or lyrics in the background. It was launched in 2017 by Chinese developer ByteDance, one of the most successful startups in China, which also owns the country’s leading news aggregator, Jinri Toutiao.

TikTok now counts more than 500 million monthly active users across the globe, including some 12 million in its largest markets in Europe — Germany, France and the U.K, [reports](#) the news service Politico.

Publishing user-generated videos and targeted advertising based off the personal data of minors means it’s likely to fall into legal crosshairs in Europe, says Politico and points out that TikTok’s business model has already raised concerns with privacy regulators in the US and the UK.

Furthermore, TikTok faces some of the same challenges as other social media platforms when it comes to combating fake news, hate speech and terrorist propaganda online. In October, the Wall Street Journal [reported](#) the Chinese app has been used by the terror organization ISIS as a recruiting tool.

Aware that the next European Commission wants to ramp up efforts to regulate platforms, TikTok's seems to be preparing for a lobbying fight.

Some time ago its parent company ByteDance was looking for [a policy manager](#) in Brussels whose role would be to "work with policymakers, private sector partners and non-governmental organizations (NGOs) on issues of privacy, safety and security, intellectual property, e-governance, content policy." The position now seems to be filled.

To encrypt or not to encrypt

Poor Mark Zuckerberg, he can never get it right. First he gets clobbered for Facebook's much publicized privacy lapses. Then, when he decides to apply end-to-end encryption across the company's messaging services, he is accused of helping child abusers and terrorists.

In October the United States, Britain and Australia signed an open letter urging Facebook to suspend its encryption plan, saying it would hinder the fight against child abuse and terrorism.

Facebook said in a statement that it strongly opposes "government efforts to build backdoors," which would undermine privacy and security.

Zuckerberg stressed he was "optimistic" that Facebook would be able to identify predators even in encrypted systems using the same tools it used to fight election interference.

Access Now, an international digital rights advocacy group, urged Facebook to go ahead with its encryption plans, despite government demands.

"Both Facebook and law enforcement already enjoy robust tools to uncover and pursue perpetrators of illegal activities," said Peter Micek, General Counsel of Access Now.

"Weakening encryption only puts innocent lives at risk. Survivors of sexual abuse and exploitation need more protection for the privacy and security of their personal data and accounts – not less. Human rights defenders also rely on the protection encryption provides as they speak up against abuses by governments and other actors."

Tech growth to deepen digital inequalities?

The divide between digital haves and have-nots remains wide, [showed speakers](#) at the UN General Assembly in October. And it will probably get wider, not only between rich and poor countries.

Much of the world continues to face the challenges of affordability, literacy, education and the appropriate infrastructure to benefit from the ICT explosion, explained Shamika Sirimanne of the UN Conference on Trade and Development (UNCTAD).

“If not managed properly, the wave of technological change might deepen the inequalities between the digital haves and the have-nots, warned Ursula Wynhoven from the International Telecommunications Union (ITU).

What being poor and digitally illiterate can entail was described in a [report](#) presented to the General Assembly by UN rapporteur on extreme poverty Philip Alston.

In his report Alston outlines how new digital technologies are changing the interaction between governments and the most vulnerable in society.

With the rise of the “digital welfare state”, much public money is now being invested in automated systems that are radically changing the nature of social protection. Welfare budgets are being decimated and new penalties are being imposed for non-compliance on people who may be digitally illiterate or lack access to the internet.

Even in the UK, Alston notes, 22% of the population – almost 12 million people – do not have the essential digital skills needed for day-to-day life. An additional 19% cannot perform fundamental tasks such as turning on a device or opening an app.

Infrastructure

Chinese Huawei to build Europe’s 5G networks?

One often hears that data is the “oil” of the rapidly evolving digital economy. But without a powerful, high-speed infrastructure to transport all this data it won’t be of much use, and building these grids isn’t cheap. No wonder there is a war going on about who will provide – and control – the new generation infrastructure, 5G.

The EU plans to ensure 5G coverage for all urban areas and all major terrestrial transport paths by 2025.

A major player in the 5G market is the Chinese telecommunications giant Huawei whose equipment and services are already in use in many parts of the world. In the US for example, Huawei is one of the main tech suppliers of 4G wireless in rural America, [says the BBC](#).

But the US is wary of Huawei and has piled pressure on its allies to shut out the company, saying its gear contained ‘back doors’ that would bring security risks and enable China to spy on other countries.

In August the United States and Romania signed a memorandum for the development of secure 5G networks, including criteria for selecting companies permitted involvement in the infrastructure. Soon thereafter the US signed a similar joint declaration with Poland to collaborate on 5G security in what US Vice President Mike Pence said would “set a vital example for the rest of Europe”, [reports Euractiv](#).

The rest of Europe however seems less inclined to bow to US pressure. Germany, for example, finalised in October its rules for the buildout of 5G mobile networks. They foresee an evaluation of technical and other criteria but no single vendor would be barred.

This in spite of the US ambassador to Berlin having warned Chancellor Angela Merkel that it would consider scaling back intelligence co-operation should Huawei be given a role in 5G.

On the other hand, German operators are all customers of Huawei and have warned that banning the Chinese vendor would add years of delays and billions of dollars in costs to launching 5G networks, [explains Euractiv](#).

Officials in Berlin are also concerned that an outright ban on Huawei could invite retaliation against German companies in China, which is Germany's largest trading partner.

Chancellor Merkel has said that Germany would make relations with China a priority when the country takes over the Presidency of EU Council on 1 July 2020, [reports Euractiv](#).

Recently Merkel faced criticism of her 5G decision from her own party, CDU, so she promised that Germany would use more European components in the rollout of its 5G network than is the case in the current infrastructure, where Huawei components account for about 70% of the existing mobile network. She said Ericsson's and Nokia's share would rise in future, [reports Reuters](#).

The French government is defying the US too. It will not exclude Huawei from its next-generation 5G network, but will have the power to vet all equipment makers for any potential security threat, a French minister [said](#) recently.

Hungary goes even further. In November Péter Szijjártó, Hungary's Minister of Foreign Affairs said that Huawei will play an instrumental role in the future roll-out of next generation mobile technologies in the country.

On 16 October the Chinese company's Western Chief Abraham Liu spoke at a hearing on these matters in the European Parliament.

Liu was unambiguous about Huawei's commitment to the further development of 5G in Europe, saying that the firm can "enable Europe to lead the fourth industrial revolution." (He is obviously well-briefed on favorite EU buzz phrases.)

The company is confident that it can pursue its investment plans into the heart of Europe, where there are concerns that some countries on the bloc simply do not have the outlay available to develop their 5G infrastructure efficiently themselves, [writes Euractiv](#).

The EU Council seems to want to tread cautiously. Turo Mattila, Finnish chair of the Council's horizontal working party on cyber issues, said that a "balanced approach" is required, ensuring that the EU doesn't lag behind in its future rollout of 5G technologies, but that cybersecurity is also taken seriously in the process of doing so.

Watch out for "Conclusions on the significance of 5G for the European Economy and the need to mitigate security risks linked to 5G", which EU's telecom ministers are to adopt at their [Council meeting](#) on 3 December.

European cloud network in the making

Warned by German lawmakers and industry leaders that their country is too dependent on foreign-owned digital infrastructure, Germany's Economy Minister Peter Altmaier has a plan to launch a massive European cloud computing network named Gaia-X.

Gaia-X is intended to be a platform where European companies of all sizes can store, process and exchange data and cooperate on developing products. The aim is to enable Europe's digital infrastructures to run independently if they were ever to be cut off from foreign cloud providers.

Currently the U.S. and China have a dominant position in providing cloud infrastructure in Germany.

The French government, too, is concerned about its technological independence and supports the idea of a European cloud infrastructure.

The Gaia-X project is to be established in the spring of 2020. The live operation is then expected to start towards the end of the year with initial providers and users.

The new EU Commission President Ursula von der Leyen is probably delighted with this idea. In her [political guidelines](#) she stressed the need for more innovation and "technological sovereignty" in Europe.

Sustainability

EU Council:

Use cultural policy to boost sustainable development!

The new President of the European Commission, Ursula von der Leyen, has cited climate policy as the most pressing issue facing her new executive team. The EU Council seems concerned about the issue too.

In view of the climate crisis, sustainability "is and has to be an absolute priority for all", says the EU Council in [a resolution](#) on the cultural dimension of sustainable development adopted by the Union's ministers of culture in November.

Cultural measures can "help ensure a fair transition and encourage active citizenship and global responsibility", say the ministers, pointing out that the EU and the member states already operate a number of cultural or culture-related policies and measures that directly or indirectly contribute to sustainability. But more needs to be done.

Among other things, the ministers agreed to review cultural and culture-related policies and measures in order to maximise their contribution to sustainability, and to continue exchanging information, good practices and lessons learnt at the national level.

The Culture Ministers also invited the European Commission to prepare, in coordination with Member States, an action plan on the cultural dimension of sustainable development at EU level.

Cultural industries: Concern about carbon footprint of digital activities

It seems that culture not only can boost sustainability, it can hamper it too. An [EU Parliament study on the culture and creative sectors \(CCS\)](#) says that certain “environmental challenges” in these sectors should be addressed.

“Some CCS operators are pioneering ways to reduce their carbon footprint at festivals or in the fashion industry. However, a growing concern that still needs to be addressed is the carbon footprint of digital activities and cloud computing,” write the researchers.

“Incentivise the CCS to take up an active role in terms of environmental sustainability”, is one of the policy recommendations in the study.

Digital tax

Google to pay \$1 billion in tax settlement with France

Google has agreed a settlement totalling \$1 billion to end a tax dispute in France under an agreement announced in court in September.

The search giant will pay a €500 million fine for tax evasion, as well as a further €465 million to settle claims with French tax authorities, [reports](#) the news service Euractiv with AFP.

The settlement follows similar out-of-court agreements reached in Italy and Britain by Google in recent years, though the French agreement is much larger than the previous ones.

Google said it now wanted to see a coordinated reform for a clear international taxation framework.

International agreement on digital taxation soon?

The Organisation for Economic Cooperation and Development (OECD) is working on finding consensus on an international agreement on digital taxation. It aims to conclude the agreement by the end of 2020.

In October the OECD published a [proposal](#) for reforms and launched a public consultation on the details.

The proposed framework would fundamentally alter how and where companies that operate across national borders were taxed, though it leaves the details of those tax rates to future negotiators. It suggests new rules on where companies should pay taxes — largely based on where their sales occur — and on which profits are subject to taxation, [explains](#) New York Times.

If a global tax agreement cannot be reached, Europe will go it alone and impose its own online tax rules on firms like Google and Facebook, [said](#) the Commission Executive Vice President Margrethe Vestager at her assessment hearing in the EU Parliament. She will coordinate the work on digital taxation.

To push through a European solution could be a challenging task considering that a number of member states – among them Denmark, Ireland and Sweden – blocked such plans earlier this year.

During her hearing the Danish Commissioner also said she would continue using the Commission's state aid powers to force individual EU countries to claw back taxes from global companies if they were found to have been given unfair tax rulings compared to others.

Such powers were used to force Apple to repay €13 billion to the Irish government, a decision that both the iPhone maker and Dublin are appealing.

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